

104TH CONGRESS  
1ST SESSION

# H. R. 394

To amend title 4 of the United States Code to limit State taxation of certain pension income.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mrs. VUCANOVICH (for herself, Mr. ENSIGN, Mr. STUMP, Mr. DOOLITTLE, and Mr. BURTON of Indiana) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To amend title 4 of the United States Code to limit State taxation of certain pension income.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. LIMITATION ON STATE INCOME TAXATION OF**  
4       **CERTAIN PENSION INCOME.**

5       (a) AMENDMENT.—Chapter 4 of title 4, United  
6       States Code, is amended by adding at the end the follow-  
7       ing:

1 **“§ 114. Limitation on State income taxation of certain**  
2 **pension income**

3 “(a) No State may impose an income tax on any re-  
4 tirement income of an individual who is not a resident or  
5 domiciliary of such State (as determined under the laws  
6 of such State).

7 “(b) For purposes of this section—

8 “(1) The term ‘retirement income’ means any  
9 income from—

10 “(A) a qualified trust under section 401(a)  
11 of the Internal Revenue Code that is exempt  
12 under section 501(a) from taxation;

13 “(B) a simplified employee pension as de-  
14 fined in section 408(k) of such Code;

15 “(C) an annuity plan described in section  
16 403(a) of such Code;

17 “(D) an annuity contract described in sec-  
18 tion 403(b) of such Code;

19 “(E) an individual retirement plan de-  
20 scribed in section 7701(a)(37) of such Code;

21 “(F) an eligible deferred compensation  
22 plan (as defined in section 457 of such Code);

23 “(G) a governmental plan (as defined in  
24 section 414(d) of such Code);

25 “(H) a trust described in section  
26 501(c)(18) of such Code; or

1           “(I) any plan, program or arrangement de-  
2           scribed in section 3121(v)(2)(C) of such Code.

3           Such term includes any retired or retainer pay of a  
4           member or former member of a uniform service com-  
5           puted under chapter 71 of title 10, United States  
6           Code.

7           “(2) The term ‘income tax’ has the meaning  
8           given such term by section 110(c).

9           “(3) The term ‘State’ includes any political sub-  
10          division of a State, the District of Columbia, and the  
11          possessions of the United States.

12          “(c) Nothing in this section shall be construed as hav-  
13          ing any effect on the application of section 514 of the Em-  
14          ployee Retirement Income Security Act of 1974.”.

15          (b) CONFORMING AMENDMENT.—The table of sec-  
16          tions for chapter 4 of title 4, United States Code, is  
17          amended by adding at the end the following:

          “114. Limitation on State income taxation of certain pension income”.

18          (c) EFFECTIVE DATE.—The amendments made by  
19          this section shall apply to amounts received after Decem-  
20          ber 31, 1994.

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